FPO SHARES
Issued: 153 mln
Market Cap: $8 mln
ASX: KOR
Last Price: AU¢ 5.1
BERLIN: C6S.BE
Last Price: € 0.04

Thursday, 23 April 2015

PHOSPHATE HEADS OF AGREEMENT

Korab Resources Ltd ("**Korab**", or "**Company**") (**ASX: KOR**) is pleased to advise that its wholly owned subsidiary Geolsec Phosphate Operations Pty Ltd ("**Geolsec**") has entered into Heads of Agreement ("**HoA**") with an unrelated party for the quarrying and distribution of phosphate rock from Geolsec phosphate quarry ("**Distributor**"). Geolsec quarry is located short distance from Darwin in the Northern Territory and has excellent access to infrastructure and transport network.

The HoA provides the framework for a more comprehensive definitive agreement to be executed between the parties. Under the general terms Geolsec will remain the owner and operator of the quarry. The Distributor will be responsible for the quarrying and haulage of the phosphate rock at Distributor's cost and risk. Geolsec will receive a royalty per tonne of rock removed from site and the royalty amount will be linked to the grade of the rock. The Distributor will have distribution rights to Northern Territory, Victoria, New South Wales and Queensland with the minimum annual tonnage to be bought by the Distributor. The initial term will to be for 3 years with an option to extend it for another 3 years. If the minimum annual tonnage is not bough by the Distributor in any given year, Geolsec will be able to terminate the agreement.

This transaction has a potential to generate up to $1 million in annual profit for Geolsec over next 12 months based on preliminary agreement reached with the Distributor regarding the annual volumes and pricing. Final rock pricing, royalty level and the annual tonnage are currently being finalised.

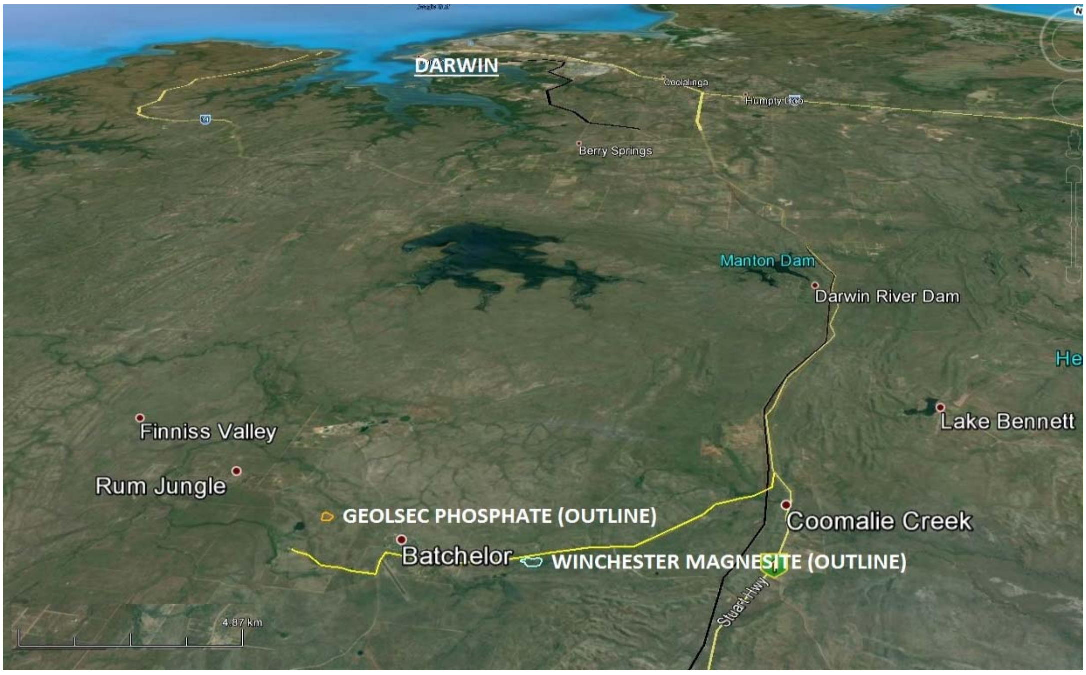

Figure 1 Geolsec Phosphate deposit - 70 km south of Darwin near town of Batchelor. Deposit is close to a highway, rail, water, gas, and power.

FPO SHARES
Issued: 153 mln
Market Cap: $8 mln
ASX: KOR
Last Price: AU¢ 5.1
BERLIN: C6S.BE
Last Price: € 0.04

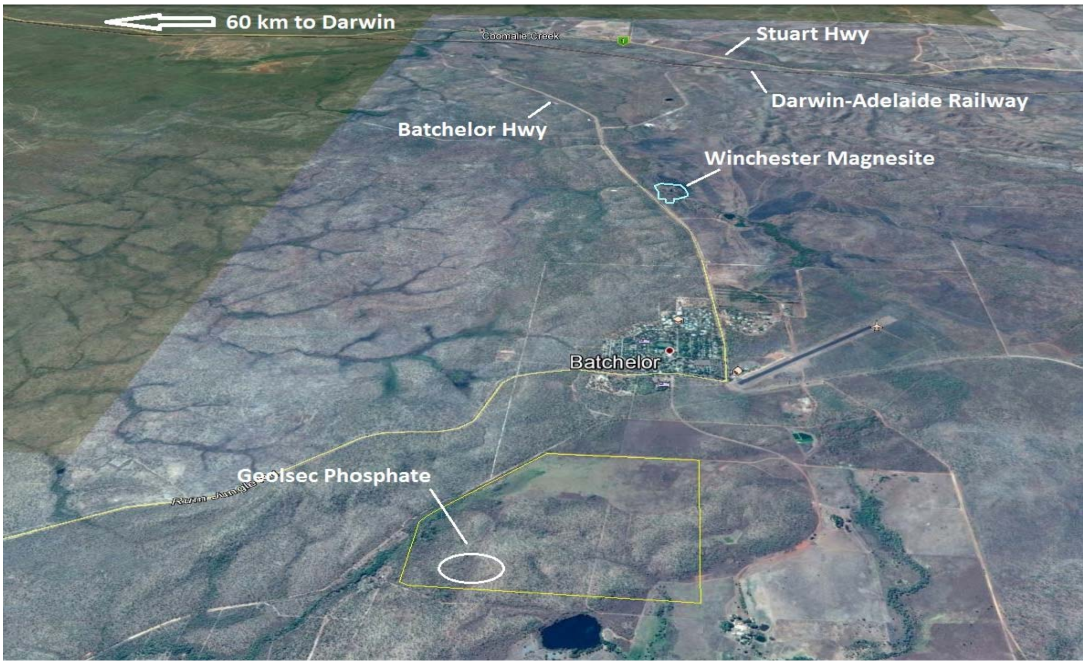

Figure 2 Geolsec Phosphate deposit location relative to town of Batchelor, basic infrastructure and topography.

BACKGROUND TO GEOLSEC PHOSPHATE DEPOSIT

Location of the Geolsec project, just south of the port of Darwin and within a short distance to majority of Asian ports (see Figures 1 and 2) gives Geolsec significant advantage over phosphate producers located in Africa and the Middle East when supplying Asian and Australian buyers and distributors. Furthermore, being located next to trans-continental rail-way link and highway connecting Darwin to Queensland, NSW, Victoria and the Ord River agricultural region in WA, Geolsec has excellent access to the main agricultural regions in all Australian states.

The primary target markets for the domestic sales of the direct shipping phosphate rock, ground-up phosphate rock and phosphate rock blends, are organic farmers in Queensland, Victoria, New South Wales, South Australia and WA, plantations and pastoralists around Darwin (NT), and fruit growers in Ord River (WA). The primary target markets for the overseas sales of the direct shipping phosphate rock are Asian distributors and end users.

Geolsec direct application phosphate rock has a potential to provide substantial ongoing benefits to the environment by improving soil fertility and improving nutritional quality of produce grown on fields fertilised with phosphate rock and phosphate rock products. More information about Geolsec's benefits and the benefits of direct application of phosphate rock to soils is available from Korab website at www.korabresources.com.au/geolsec

- END-

CONTACT:

Andrej K Karpinski, Executive Chairman - Australia: (08) 9474 6166, International: +61 8 9474 6166

ABOUT KORAB RESOURCES

Korab Resources Ltd is an international mining and exploration company with operations in Australia and Europe. Korab's projects include gold and silver mine at Bobrikovo in Ukraine, Geolsec

FPO SHARES
Issued: 153 mln
Market Cap: $8 mln
ASX: KOR
Last Price: AU¢ 5.1
BERLIN: C6S.BE
Last Price: € 0.04

phosphate mine located 80km from Darwin in the Northern Territory of Australia and Winchester magnesite deposit located 75km from Darwin in the Northern Territory of Australia. The Company also explores for gold and copper at Ashburton Downs in Western Australia and for polymetallic deposits at Batchelor in the Rum Jungle mineral field in the Northern Territory of Australia. More information about Korab's projects can be sourced from Korab's website at www.korab.com.au. Korab's shares are traded on Australian Securities Exchange (ASX) and on the Berlin Stock Exchange (Berliner Börse) through Equiduct electronic trading platform.